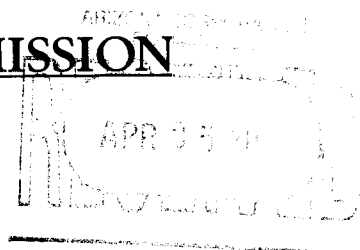


**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**



**ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY**

F

W-01898A  
F & F WATER COMPANY  
3630 S. CURTIS FLATS RD.  
ST. DAVID AZ 85630-0000

**ANNUAL REPORT**

**FOR YEAR ENDING**

12	31	2001
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FOR COMMISSION USE

ANN04	01
-------	----

Processed by:

4-30-02 cm

SCANNED

## COMPANY INFORMATION

<b>Company Name (Business Name)</b> <u>E &amp; F WATER COMPANY</u>		
<b>Mailing Address</b> <u>3692 S. CURTIS FLATS ROAD</u>		
<u>ST DAVID</u> (City)	<u>AZ</u> (State)	<u>85630</u> (Zip)
<u>520-720-4310</u> Telephone No. (Include Area Code)	<u>520-720-4068</u> Fax No. (Include Area Code)	 Pager/Cell No. (Include Area Code)
<b>Email Address</b> _____		
<b>Local Office Mailing Address</b> _____		
_____ (City)	_____ (State)	_____ (Zip)
 Local Office Telephone No. (Include Area Code)	 Fax No. (Include Area Code)	 Pager/Cell No. (Include Area Code)
<b>Email Address</b> _____		

## MANAGEMENT INFORMATION

<b>Management Contact:</b> <u>HAROLD W. FRAREK</u>			
_____ (Name)		_____ (Title)	
<u>3692 S. CURTIS FLATS ROAD</u> (Street)	<u>ST DAVID</u> (City)	<u>AZ</u> (State)	<u>85630</u> (Zip)
<u>520-720-4310</u> Telephone No. (Include Area Code)	<u>520-720-4068</u> Fax No. (Include Area Code)	 Pager/Cell No. (Include Area Code)	
<b>Email Address</b> _____			
<b>On Site Manager:</b> _____			
_____ (Name)			
_____ (Street)	_____ (City)	_____ (State)	_____ (Zip)
 Telephone No. (Include Area Code)	 Fax No. (Include Area Code)	 Pager/Cell No. (Include Area Code)	
<b>Email Address</b> _____			

**Statutory Agent:** \_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Street) (City) (State) (Zip)

\_\_\_\_\_  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

**Attorney:** \_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Street) (City) (State) (Zip)

\_\_\_\_\_  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

### OWNERSHIP INFORMATION

Check the following box that applies to your company:

- |   |   |
|---|---|
| <input type="checkbox"/> Sole Proprietor (S)        | <input type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input checked="" type="checkbox"/> Partnership (P) | <input type="checkbox"/> Subchapter S Corporation (Z)                     |
| <input type="checkbox"/> Bankruptcy (B)             | <input type="checkbox"/> Association/Co op (A)                            |
| <input type="checkbox"/> Receivership (R)           | <input type="checkbox"/> Limited Liability Company                        |
| <input type="checkbox"/> Other (Describe) _____     |   |

### COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- |                                     |   |                                   |
|-------------------------------------|---|-----------------------------------|
| <input type="checkbox"/> APACHE     | <input checked="" type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA       | <input type="checkbox"/> GRAHAM             | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ     | <input type="checkbox"/> MARICOPA           | <input type="checkbox"/> MOHAVE   |
| <input type="checkbox"/> NAVAJO     | <input type="checkbox"/> PIMA               | <input type="checkbox"/> PINAL    |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI            | <input type="checkbox"/> YUMA     |
| <input type="checkbox"/> STATEWIDE  |   |                                   |

**COMPANY NAME**

**UTILITY PLANT IN SERVICE**

<b>Acct. No.</b>	<b>DESCRIPTION</b>	<b>Original Cost (OC)</b>	<b>Accumulated Depreciation (AD)</b>	<b>O.C.L.D. (OC less AD)</b>
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements			
307	Wells and Springs			
311	Pumping Equipment			
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes			
331	Transmission and Distribution Mains			
333	Services			
334	Meters and Meter Installations			
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>			

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME

**CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements			
307	Wells and Springs			
311	Pumping Equipment			
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes			
331	Transmission and Distribution Mains			
333	Services			
334	Meters and Meter Installations			
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>			

This amount goes on Comparative Statement of Income and Expense Acct. No. 403.

COMPANY NAME
--------------

## BALANCE SHEET

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>ASSETS</b>		
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$	\$
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	\$	\$
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$	\$
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant		
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	<b>TOTAL FIXED ASSETS</b>	\$	\$
	<b>TOTAL ASSETS</b>	\$	\$

**NOTE:** The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

**BALANCE SHEET (CONTINUED)**

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>LIABILITIES</b>		
	<b>CURRENT LIABILITIES</b>		
231	Accounts Payable	\$	\$
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	<b>TOTAL CURRENT LIABILITIES</b>	\$	\$
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-Term Notes and Bonds	\$	\$
	<b>DEFERRED CREDITS</b>		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	<b>TOTAL DEFERRED CREDITS</b>	\$	\$
	<b>TOTAL LIABILITIES</b>	\$	\$
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$	\$
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings		
218	Proprietary Capital (Sole Props and Partnerships)		
	<b>TOTAL CAPITAL</b>	\$	\$
	<b>TOTAL LIABILITIES AND CAPITAL</b>	\$	\$

COMPANY NAME

## COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$	\$
460	Unmetered Water Revenue	240.00	180.00
474	Other Water Revenues		
	<b>TOTAL REVENUES</b>	\$ 240.00	\$ 180.00
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages	\$	\$
610	Purchased Water	297.00	340.00
615	Purchased Power		
618	Chemicals		
620	Repairs and Maintenance	505.00	927.00
621	Office Supplies and Expense		
630	Outside Services		
635	Water Testing		
641	Rents		
650	Transportation Expenses		
657	Insurance – General Liability		
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense		
403	Depreciation Expense		
408	Taxes Other Than Income		
408.11	Property Taxes		
409	Income Tax		
	<b>TOTAL OPERATING EXPENSES</b>	\$ 802.00	\$ 1267.00
	<b>OTHER INCOME/EXPENSE</b>		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	<b>TOTAL OTHER INCOME/EXP</b>	\$	\$
	<b>NET INCOME/(LOSS)</b>	\$ (562.00)	\$ (1087.00)



**COMPANY NAME**

**SUPPLEMENTAL FINANCIAL DATA**  
**Long-Term Debt**

	<b>LOAN #1</b>	<b>LOAN #2</b>	<b>LOAN #3</b>	<b>LOAN #4</b>
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate				
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End                      \$ \_\_\_\_\_

Meter Deposits Refunded During the Test Year                      \$ \_\_\_\_\_

COMPANY NAME

## WATER COMPANY PLANT DESCRIPTION

### WELLS

ADWR ID Number	Pump Horsepower	Pump Yield (Gpm)	Casing Size (inches)	Meter Size (inches)

### OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

TOTAL GALLONS PUMPED (NOT SOLD) THIS YEAR (thous.) = \_\_\_\_\_

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
10,000	/		/

## STATISTICAL INFORMATION

Total number of customers 2

Total number of gallons sold \_\_\_\_\_ gallons

COMPANY NAME \_\_\_\_\_

YEAR ENDING 12/31/2001

**INCOME TAXES**

For this reporting period, provide the following:

Federal Taxable Income Reported \_\_\_\_\_  
Estimated or Actual Federal Tax Liability \_\_\_\_\_State Taxable Income Reported \_\_\_\_\_  
Estimated or Actual State Tax Liability \_\_\_\_\_

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances \_\_\_\_\_  
Amount of Gross-Up Tax Collected \_\_\_\_\_  
Total Grossed-Up Contributions/Advances \_\_\_\_\_

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

\_\_\_\_\_  
**SIGNATURE**\_\_\_\_\_  
**DATE**\_\_\_\_\_  
**PRINTED NAME**\_\_\_\_\_  
**TITLE**

COMPANY NAME F & F WATER COMPANY YEAR ENDING 12/31/2001

**WATER AND SEWER  
UTILITIES ONLY**

**PROPERTY TAXES**

Indicate the amount of actual property taxes paid during this reporting period (Calendar Year 2001)

\$ 12.86

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled Checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain reasons below:

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**VERIFICATION  
AND  
SWORN STATEMENT**  
Intrastate Revenues Only

VERIFICATION

STATE OF \_\_\_\_\_

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	COCHISE
NAME (OWNER OR OFFICIAL) TITLE	MARY E. FRARER
COMPANY NAME	F&F WATER CO

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

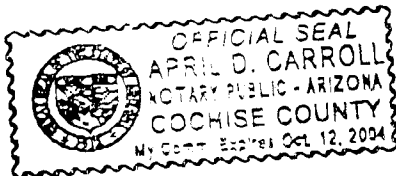
FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2001

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2001 WAS:



Arizona IntraState Gross Operating Revenues Only (\$)

\$ 180<sup>00</sup>

(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 6.50

IN SALES TAXES BILLED, OR COLLECTED

**\*\*REVENUE REPORTED ON THIS PAGE MUST  
INCLUDE SALES TAXES BILLED OR  
COLLECTED. IF FOR ANY OTHER REASON,  
THE REVENUE REPORTED ABOVE DOES NOT  
AGREE WITH TOTAL OPERATING REVENUES  
ELSEWHERE REPORTED, ATTACH THOSE  
STATEMENTS THAT RECONCILE THE  
DIFFERENCE. (EXPLAIN IN DETAIL)**

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

29<sup>th</sup>

DAY OF

(SEAL)

MY COMMISSION EXPIRES Oct 12, 2004

Mary E. Frarer  
SIGNATURE OF OWNER OR OFFICIAL

TELEPHONE NUMBER \_\_\_\_\_

COUNTY NAME	COCHISE	
MONTH	APRIL 29	2002

April D. Carroll  
SIGNATURE OF NOTARY PUBLIC

**VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE  
INTRASTATE REVENUES ONLY**

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

(COUNTY NAME) <u>COCHISE</u>	
NAME (OWNER OR OFFICIAL) <u>MARY E FRAREK</u>	TITLE
COMPANY NAME <u>F&amp;F WATER CO</u>	

MONTH	DAY	YEAR
12	31	2001

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2001 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$ <u>180<sup>00</sup></u>

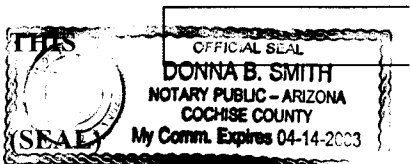
(THE AMOUNT IN BOX AT LEFT  
INCLUDES \$ 630  
IN SALES TAXES BILLED, OR COLLECTED

\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.

X Mary E Frarek  
SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF



DAY OF

NOTARY PUBLIC NAME <u>Donna B Smith</u>	
COUNTY NAME <u>Cochise</u>	
MONTH <u>April 23</u>	2002

MY COMMISSION EXPIRES

4-14-2003

X Donna B Smith  
SIGNATURE OF NOTARY PUBLIC

# 2001 TAX NOTICE

JAN. 1, 2001  
TO  
DEC. 31, 2001

COUNTY OF COCHISE

ARIZONA

ADDRESS: P O BOX 1778  
BISBEE AZ 85603

LEGAL DESCR  
TOTAL VA

01-121-36-001A226  
Date 10/10/01  
Pay to the Marsha Bonham Cochise Co Treasurer 1326.23  
Order of One thousand three hundred twenty six and 23/100  
National Bank of Arizona  
For Harold Frarer  
C12210532000532 0817662299# 0000132628/

ACRES

USE 5500

TAX ROLL NUMBER	109721
PARCEL IDENTIFICATION	931-62-100 7
TAX AREA CODE	2100

IMPORTANT - SEE REVERSE SIDE  
FOR COMPLETE EXPLANATION OF  
YOUR 2001 TAX NOTICE AND  
PAYMENT INSTRUCTIONS.

931-62-100 7 109721

F & F WATER CO  
HAROLD W FRARER  
3692 S CURTIS FLATS RD  
ST DAVID AZ 85630-6256



2001 TAX SUMMARY (3)			
PRIMARY AD VALOREM TAX			1082
LESS STATE AID TO EDUCATION			00
NET PRIMARY AD VALOREM TAX			1082
SECONDARY AD VALOREM TAX			204
SPECIAL DISTRICT TAX			00

## PAY TOTAL OR HALF TAX

TOTAL TAX DUE	1286
HALF TAX	

## DELINQUENT DATES

1st HALF NOV. 1, 2001  
2nd HALF MAY 1, 2002

THIS IS THE ONLY NOTICE YOU WILL RECEIVE  
NO RECEIPT WILL BE SENT UNLESS REQUESTED

PRIMARY PROPERTY TAX CALCULATION (1)						
ITEM	LIMITED VALUE	ASSMT. %	ASSESSED VALUE	EXEMPTION	TAX RATE	AD VALOREM TAX
LAND, BLDGS, ETC.	0	250	0		0108163	00
PERSONAL PROPERTY	400	250	100		0108163	1082
TOTALS	400		100			1082

SECONDARY PROPERTY TAX CALCULATION (2)						
ITEM	FULL CASH VALUE	ASSMT. %	ASSESSED VALUE	EXEMPTION	TAX RATE	AD VALOREM TAX
LAND	0	250	0		022803	00
BLDGS, ETC.	0	0	0		0	00
PERSONAL PROPERTY	400	250	100		020206	204
TOTALS	400		100			204

2000-2001 TAX COMPARISON (4)							
TAX CODE	TAX JURISDICTION	2001 PRIMARY	2001 SECONDARY	2001 TOTAL	2000 TOTAL	DIFFERENCE	
2000	COCHISE COUNTY	294	00	294	294		00
2001	COUNTY SCHOOL TAX EQ	50	00	50	51		-01
7021	ST DAVID SD #21	564	83	647	635		12
8150	COCHISE COUNTY JUNIOR COLLEGE	174	00	174	174		00
0252	SAN PEDRO VALLEY HOSPITAL DIST	00	90	90	120		-30
1900	FIRE DISTRICT ASSISTANCE FUND	00	10	10	10		00
4900	COCHISE COUNTY LIBRARY DIST	00	16	16	16		00
0000	COCHISE CNTY JOINT TECHNOLOGY D	00	05	05	00		05
	TOTALS	1082	204	1286	1300		-14

TEAR OFF ALONG DOTTED LINES

TEAR OFF ALONG DOTTED LINES